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Analysis of Sales Budget Variance and Its Determinants in the Economic Enterprise: A Case Study of SCIMAT (Algeria), 2021–2024

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Abstract :

This study investigates the variance between budgeted sales and actual sales in SCIMAT, an Algerian industrial cement enterprise, over the period 2021–2024. The research aims to assess the extent to which the sales budget reflects actual organizational performance and to identify the key determinants of observed deviations.

A mixed descriptive–analytical case study approach is adopted using quantitative data from annual budget reports and actual sales records, complemented by qualitative insights from interviews with budgeting personnel. Variance analysis and trend evaluation are applied to measure deviations across product categories, including cement, clinker, and aggregates.

Findings reveal persistent and significant variances between planned and actual sales, particularly in cement and aggregates. Clinker sales exhibited high volatility across the period. The results indicate that forecast inaccuracy, discount policies, market competition, and demand fluctuations are the primary drivers of deviations. Additionally, the budgeting process remains largely top-down and reliant on historical data rather than advanced forecasting methods.

The study concludes that improving budget accuracy requires the adoption of quantitative forecasting techniques, participatory budgeting practices, and systematic variance analysis to enhance managerial decision-making and organizational performance.

Keywords: Sales Budget, Variance Analysis, Forecast Accuracy, Management Control, Performance Evaluation, Industrial Enterprise

Introduction :

The budget is a fundamental tool for management control and guiding organizational performance, as it provides a framework for planning activities, coordinating them, and evaluating results against planned objectives.[1] From an economic perspective the budget aims to achieve alignment between the interests of owners and management by motivating employees and facilitating information sharing to ensure performance effectiveness.[2] The psychological perspective on the other hand, emphasizes the influence of budgeting on individual behavior and decision-making capacity under conditions of bounded rationality, which may help explain variances between the estimated budget and actual results.[3] The sociological perspective highlights the tension between individual goals and organizational objectives and their impact on outcomes, with the budget serving as a mechanism to achieve alignment.[4] Performance evaluation approaches vary depending on the budgeting style, ranging from strict control, to a focus on long-term profitability, or reliance on non-financial information, which contributes to explaining deviations between actual results and the planned budget.[5]

A budget is a quantitative work plan expressed in standard monetary units or other measures typically covering a one-year period.[6] It serves as a vital tool for management to guide the company's operations and ensure the efficient use of resources. Without a budget a company may operate without direction in the short term potentially leading to uncontrolled resource usage.[7] Budgeting involves planning interrelated operational activities and provides a structured framework that helps direct company efforts toward achieving organizational goals.[8] It encompasses all business areas, including sales, procurement, production, profits, and marketing, with sales being a key driver of business profitability.[9]

[1] Covaleski, M.A., Evans III, J.H., Luft, J.L., Shields, M.D, Budgeting Research: Three Theoretical Perspectives and Criteria for Selective Integration; *Journal of Management Accounting Research*, 15(1), 2006, p587-624. https://doi.org/10.1016/S1751-3243(06)02006-2

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[3] Covaleski, M.A., Evans III, J.H., Luft, J.L., Shields, M.D, Op Cit.

[4] Covaleski, M.A., Evans III, J.H., Luft, J.L., Shields, M.D, Op Cit.

[5] Elbert de With, Aagtje Dijkman, (2008); Budgeting practices of listed companies in The Netherlands; *Management Accounting Quarterly*, Vol. 10, No. 1; pp. 26-36.

[6] Mariana MAN, Ioan C. DIMA, Mitran DANIELA, THE USE OF BUDGETS IN FORECASTING THE ACTIVITY OF THE FIRM, Internal Auditing & Risk Management, Anul V, Nr.1(17), Martie 2010, P1-14. https://doi.org/10.4018/978-1-4666-2818-2.ch008

[7] Denny I.Y Rompas, SALES BUDGET ANALYSIS IN REVIEW OF SOME FORECASTING METHODS IN EFFORTS TO INCREASE INCOME AT PT. NM MANADO, Scientific Research Journal (SCIRJ), Volume IX, Issue IV, April 2021, P9-18. http://dx.doi.org/10.31364/SCIRJ/v9.i04.2021.P0421852

[8] Raisya Putri Septianti, Neneng Dahtiah, Penerapan Metode Peramalan dalam Menyusun anggaran Penjualan dan Anggaran Produksi Sebagai Dasar Penyusunan Anggaran Biaya Produksi pada LAF Project, Indonesian Accounting Literacy Journal1(3), July 2021, 490-503. https://doi.org/10.35313/ialj.v1i3.3166

[9] Arif Afriady, Sherly Malinton, Quantitative Methods in Sales Forecasting: Profit Maximization Efforts, International Journal of Arts and Social Science, Volume 7 Issue 10,P212-218, October 2024,

The sales budget holds a strategic position as it serves as the foundation for preparing other budgets, such as production, procurement, investment, overhead, and treasury budgets.[10] Preparing a detailed sales budget facilitates accurate inventory estimation and resource allocation, To achieve effective sales planning, accurate forecasting is crucial; meticulous, precise, and reliable sales forecasts significantly influence the formulation and implementation of the sales budget.[11]

The sales budget is the starting point in preparing the master budget, since esti mated sales volume influences nearly all other items appearing throughout the master budget.[12] The sales budget should show total sales in quantity and value, the expected total sales can be break-even or target income sales or projected sales, It may be analyzed further by product, by territory, by customer, and, of course, by seasonal pattern of expected sales. Generally, the sales budget includes a computation of expected cash collections from credit sales, which will be used later for cash budgeting.[13]

Budgets also function as a communication tool, conveying management plans to all employees and enhancing coordination across departments, They serve as a benchmark for performance evaluation allowing management to compare actual results with planned outcomes and implement corrective actions when necessary.[14] In general all budgets including the sales budget fulfill three primary functions: they act as a work guideline, a coordination tool, and a monitoring instrument that supports management in directing operations.[15] Specifically the sales budget is indispensable for competitive markets providing a detailed plan regarding the types of products, quantities, pricing, timing, and locations of sales.[16]

In summary the sales budget is not only a forecasting instrument but also a critical management tool that integrates financial planning, operational guidance, and strategic

[10] Cristina-Otilia, Ţenovici, SALES BUDGET - MANAGEMENT TOOL IN BUSINESS BACKGROUND ENTITY, Management Strategies Journal, Constantin Brancoveanu University, 26(4), pages 255-261. 2014.
[11] Arif Afriady, Sherly Malinton, Op cit.
[12] Mariana MAN, Ioan C. DIMA, Mitran DANIELA, Op cit.
[13] Jae K. Shim, Joel G. Siegel, Budgeting Basics and Beyond, (John Wiley & Sons, Inc, SECOND EDITION, 2005), P81.
[14] Made Dana Saputra, Made Agus Putrayasa, Analysis of sales budget and actual sales at CV Sumberjaya, Proceeding International Joint Conference on Science and Technology (IJCST), Organized by Bali State Polytechnic (PNB) and partner universities, Indonesia, 2017, P141-146.
[15] Asti Dwy Rahayu, Yun Fitriano, Rina Trisna Yanti, An Analysis of Sales Budget in Increasing Profit at Dadang Shop in Sukamakmur Village, Journal of Indonesian Management, Vol. 1 No. 2 Juni 2021 page: 88 – 93. https://doi.org/10.53697/jim.v1i2.123
[16] Sofía Elizabeth Quiguirí Udeo, Maylee Lizbeth Salinas Ordoñez, Implementation of a sales budget for the optimization of the income of the wood company "Don Junior" in Santo Domingo, Ecuador, South Florida Journal of Development, Miami, v.2, n.3, p. 4756-4774 special edition, jul. 2021. https://doi.org/10.46932/sfjdv2n3-071

decision-making, influencing the preparation of other budgets and the overall efficiency and effectiveness of the enterprise.[17]

Research Question :

The sales budget is considered a fundamental tool for management control within an economic enterprise as it represents future revenue estimates and reflects the strategic orientations of management However practical reality often reveals discrepancies between estimated figures and actual results, which necessitates the analysis of these variances in order to understand their causes and assess the accuracy of the adopted estimates, thereby contributing to improved decision-making and enhanced organizational performance.

Based on the above the main research question of the study can be formulated as follows:

To what extent does the sales budget reflect the actual performance of the economic enterprise ?

Sub-Questions:

To address the primary research question this study has been designed around a set of subsidiary questions that guide the analysis and help interpret the variances between the budgeted and actual performance :

1. To what extent are the forecasts used in preparing the sales budget accurate?
2. What is the magnitude and nature of the variances between the sales budget and actual sales?
3. What internal factors contribute to these variances?
4. What external factors influence these variances?
5. To what extent does the enterprise rely on scientific forecasting methods when preparing the sales budget?
6. How do variances between the budgeted and actual results affect the decision-making process?
7. What corrective actions can be implemented to reduce these variances and improve the accuracy of future budgets?

Objectives of the Study :

This study aims to:

1. To highlight the role of the sales budget as a key tool in management control and performance evaluation within the enterprise.
2. To examine the effectiveness of the sales budgeting process in reflecting actual organizational performance.
3. To explore the determinants that lead to deviations between planned and actual sales outcomes.
4. To develop practical recommendations that enhance the accuracy and effectiveness of sales budgeting in future periods.

[17] Fong-Ching Yuan, Parameters Optimization Using Genetic Algorithms in Support Vector Regression for Sales Volume Forecasting, Applied Mathematics, 3, 1480-1486, 2012. http://dx.doi.org/10.4236/am.2012.330207

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Research Methodology :

This study adopts an inductive approach to analyze the reality of the sales budget and the variances between budgeted and actual sales, while employing a descriptive method through a comprehensive review of the relevant literature to construct the conceptual framework of the study. The theoretical aspect is further supported by an applied case study of an economic enterprise, aimed at analyzing the causes of these variances and assessing their impact on organizational performance. This integration provides a comprehensive perspective for improving budget accuracy and enhancing the effectiveness of decision-making.

2. Conceptual Framework

The conceptual framework of this study is designed to provide a structured understanding of the relationship between the sales budget and actual sales within an economic enterprise. It highlights the mechanisms through which variances arise, their potential causes, and their impact on organizational performance and decision-making.

The framework integrates three primary dimensions:

1.2. Sales Budget Preparation :

The sales budget constitutes the initial stage in an enterprise's financial planning process as it determines the required production volume, schedules distribution, and allocates the necessary logistical resources. Sales should be estimated in terms of quantities rather than solely in monetary value with a detailed breakdown by product, channel, customer, and geographic region, enabling the explanation of deviations from initial projections when monitoring actual performance. A key challenge lies in balancing the goal of maximizing sales with the need to avoid overestimating resources, as inflated projections may lead to increased expenditures and make adjustments difficult if expected revenues are not achieved.[18]

Rincón & Narváez (2017) state that there are several statistical and planning methods for preparing sales budgets, among which we have:

- **Market study method:** A thorough market study is conducted, which predicts the potential response of customers to certain proposed advertising strategies.
- **Automatic method:** The previous year's sales are taken, assuming that they will not change.
- **Average method:** The differences resulting from comparing sales of recent years are calculated, that is, the year-to-year variations; these differences are summed and averaged according to the number of years compared.
- **Percentage increase method:** Sales from recent years are taken, the percentage change from one year to the next is calculated, these percentage changes are summed and averaged according to the number of years considered, and the result is multiplied by the sales of the last year. This new figure is then added to the sales of the last year.

The implementation of a sales budget will serve to measure the internal potential of the organization. It is fundamental for the company as it will provide guidance on the estimated

[18] Marie-Noëlle Désiré-Luciani, Daniel Hirsch, Nathalie Kacher, Marc Polossat, Le grand livre du contrôle de gestion, (Paris : Groupe Eyrolles, 2013), P163-164.

sales volume over a specific period. Furthermore, it will help address real management problems related to sales handling and is intended to benefit the owner economically and financially, aiming to achieve optimal revenue management.[19]

2.2 Variance Analysis :

(Mohamed beddaa, bachiri m (2020) indicate that variance analysis requires a precise and systematic approach. They identified four fundamental principles that must be adhered to in order for variances to carry meaningful and analytically significant interpretation:[20]

- **Principle One:** A variance is defined as the difference between the actual value and the reference value. Typically, the actual value represents what the organization has achieved, while the reference value corresponds to the budgeted, standard, or expected figure.
- **Principle Two:** A variance is characterized by a positive (+) or negative (−) sign, a numerical value, and a specific direction (favorable or unfavorable). In variance analysis, identical numerical values do not carry the same meaning when applied to costs versus revenues, as each has a distinct analytical significance.
- **Principle Three:** The purpose of variance decomposition is to clarify the impact of each individual component by calculating "sub-variances" that reflect each element. Accordingly, the number of sub-variances should equal the number of components contributing to the total value.
- **Principle Four:** Any measure calculated as the product of a monetary element and a volume or quantity element must be decomposed into two separate variances.[21]

2.3 Performance Evaluation and Decision-Making :

The sales budget is considered a fundamental tool for performance evaluation and decision-making within the enterprise,[22] as it enables the assessment of the extent to which actual sales align with planned estimates, thereby facilitating the identification and analysis of variances.[23] However, achieving accurate performance evaluation remains a complex task due to the influence of multiple factors, including the nature of the measurement methods employed, as well as external variables that may be beyond managerial control. In addition, the effectiveness of performance evaluation largely depends on the accuracy and rigor of the planning process, which determines the realism of the adopted estimates.[24]

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[19] Sofía Elizabeth Quiguirí Udeo, Maylee Lizbeth Salinas Ordoñez, Op Cit.

[20] Mohamed beddaa, bachiri m, Impact de la gestion budgétaire des ventes sur la performance commerciale de l'entreprise : Proposition d'un modèle conceptuel, Alternatives Managériales Economiques, Vol 2, No 2 (Avril, 2020),P97-114. https://doi.org/10.48374/IMIST.PRSM/ame-v2i2.20804

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[22] Fong-Ching Yuan, Parameters Optimization Using Genetic Algorithms in Support Vector Regression for Sales Volume Forecasting, Applied Mathematics, Vol.3 No.10A, October 2012, P 1480-1486, http://dx.doi.org/10.4236/am.2012.330207

[23] Asti Dwy Rahayu, Yun Fitriano, Rina Trisna Yanti, Op Cit.

[24] Ibhawaegbele P A, Afensimi Elijah, Use of Budgets in Organisational Performance Evaluation, International Journal of Engineering And Science, Vol.14, No.1, 2024, P109-113.

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The role of the sales budget extends beyond planning, as it also supports continuous monitoring and enhances internal communication by providing precise quantitative and financial indicators of expected sales volumes.[25] It serves as a reference basis for comparing actual performance with planned targets,[26] thereby enabling the evaluation of sales activity effectiveness, the identification of strengths and weaknesses, and the implementation of appropriate corrective actions.[27] Furthermore variance analysis between actual and budgeted sales contributes to improving the accuracy of future forecasts and enhancing the effectiveness of managerial decision-making, ultimately supporting the achievement of the organization's strategic objectives.[28]

3. Case Study :

This study was conducted at Cement Ain El-Touta (SCIMAT) one of the leading industrial units in the cement manufacturing sector in Algeria. SCIMAT is part of the Algerian Cement Industrial Group (GICA) and represents one of the country's key national hubs in the construction materials industry. The company plays a pivotal role in meeting domestic demand for cement and contributing to major development projects at both regional and national levels. Moreover, SCIMAT provides an exemplary case for studying the operational practices of Algerian economic enterprises, particularly regarding the adoption of modern management tools such as the use of budgetary planning for performance evaluation.

The study utilized both quantitative and qualitative data Quantitative data included annual budget reports and actual sales performance records for the years 2021–2024. Qualitative data consisted of the organizational structure and the roles and responsibilities of personnel involved in budget preparation.

Primary data were collected through interviews with employees responsible for the budget preparation process aiming to identify the parties involved, the methods and techniques applied, and the causes of variances between planned budgets and actual performance. Secondary data were obtained from official company documents, including organizational charts, job descriptions, annual budget reports, and actual sales performance reports.

Two main data collection methods were employed:

- Interviews: Data were gathered directly through structured question-and-answer sessions with personnel responsible for budget preparation to understand the procedures followed and identify the reasons for deviations between actual performance and the planned budget.

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[26] Loso judijanto, Al-Amin, Budgeting and forecasting in marketing communications : An Accounting Perspective, INTERNATIONAL JOURNAL OF FINANCIAL ECONOMICS (IJEFE), 1(1), P624-633, 2024.

[27] George Hill, Savannah Johnson, Chris Neil, Sales Forecasting and Budgeting - Outcomes of variance analysis, INTERNATIONAL JOURNAL ON ECONOMICS, FINANCE AND SUSTAINABLE DEVELOPMENT, Vol 2, No 2, P26-32 2021. https://doi.org/10.31149/ijefsd.v2i2.2136

[28] Mohamed beddaa, bachiri m, OpCit.

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- Documentation: Data were collected by reviewing official company records, including the company's brief history, organizational structure, job descriptions, annual budget reports, and actual sales performance records.

3.1 Data Analysis Technique :

The analytical techniques used in this study are as follows:

3.1.1 Quantitative Analysis :

Quantitative analysis is an analytical approach that relies on calculations using mathematical formulas. In this study, sales budget variance analysis was employed to identify the differences between the planned budget and the actual performance during the study period at (SCIMAT). The results of this analysis are used to evaluate whether the variances are favorable or unfavorable. Such variances in the sales budget may arise due to differences in either the quantity sold or the unit prices applied.

3.1.2 Descriptive Qualitative Analysis :

In this study qualitative analysis involves describing the research findings, which can later be used to evaluate the budget preparation process at (SCIMAT) and to identify the causes of variances between the planned budget and the actual sales performance during the study period.

3.2 Budgeting Process At (SCIMAT):

The operational budget at (SCIMAT) is prepared using the Top-Down Budgeting approach whereby top management assumes full responsibility for defining and determining the components of the budget, while lower-level management is primarily tasked with implementing the approved plans. This approach is characterized by centralized decision-making, as top management establishes the objectives and financial estimates in alignment with the organization's overall strategic direction.

Despite the clarity and direction provided by this approach, it is not without limitations, Key drawbacks include a lower level of subordinate commitment, limited flexibility in implementation, and potential difficulties in achieving the predefined objectives under certain conditions.

3.3 Sales Budget Variance Analysis :

The variance between the sales budget and actual sales over the period 2021–2024 is presented as follows :

Table 1. Sales Budget and Actual Sales in 2021

Products	Actual 2020	2021		Variance (Actual / Planned)		Variance 2021/2020	
		Planned	Actual	in KDA	in %	in KDA	in %
CEMENT	5 993 413	6 285 717	4 808 063	-1 477 653	**76%**	-1 185 350	**-20%**
CLINKER	0	91 507	90 542	-966	**99%**	90 542	/
AGGREGATES	19 117	164 809	39 441	-125 368	**24%**	20 324	**106%**

The turnover of SCIMAT for the fiscal year 2021 amounted to 4,808,063 KDA, compared to a forecast of 6,285,717 KDA, representing a realization rate of 76%. This reflects a decrease of 20% compared to the fiscal year 2020.

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This decline can be attributed to the following factors:

- The application by SCIMAT during 2021 of sales price discounts and rebates aimed at customer retention and coping with strong market competition.
- A reduction in sales achieved by the units, with the cumulative realization rate across all depots reaching only 33% of the established targets.

The actual turnover achieved by the end of December 2021 amounted to 90,542 KDA, corresponding to a realization rate of 99% relative to the planned objectives.

Regarding turnover excluding transfers, the amount realized by the end of December 2021 was 39,441 KDA, against a forecast of 164,809 KDA, representing a 24% achievement rate compared to the planned objectives for the same period. This indicates a 76% decrease relative to the plan, while reflecting a 106% increase compared to the year 2020.

Table 2. Sales Budget and Actual Sales in 2022

Products	Actual 2021	2022		Variance (Actual / Planned)		Variance 2022/2021	
		Planned	Actual	in KDA	in %	in KDA	in %
CEMENT	4 808 063	5 914 328	4 860 050	-1 054 278	**82%**	51 987	**1%**
CLINKER	90 542	22 069	1 214 307	1 192 237	**5502%**	1 123 765	**1241%**
AGGREGATES	41 110	164 815	21 789	-143 026	**13%**	-19 321	**-47%**

The turnover for the fiscal year 2022 amounted to 4,860,050 KDA compared to a planned target of 5,914,328 KDA, corresponding to a realization rate of 82%, this represents an increase of 1.08% relative to the fiscal year 2021.

This growth can be attributed to the following factors:

- The implementation by SCIMAT in 2022 of sales discounts and rebates aimed at customer retention and mitigating strong market competition.
- An increase in sales achieved by the commercial units, with the cumulative realization rate across all depots reaching 55% of the set targets, representing a 64% increase compared to 2021.

The turnover achieved for clinker during the 2022 fiscal year reached 1,214,307 KDA, reflecting a substantial increase of 1,241% compared to the same period in the previous year.

In contrast, the turnover realized from aggregates in 2022 amounted to 21,789 KDA, corresponding to a realization rate of 13% relative to the planned targets for the same period, indicating a decline of 87%. Compared to the same period in the previous year, this represents a reduction of 47%.

Table 3. Sales Budget and Actual Sales in 2023

Products	Actual 2022	2023		Variance (Actual / Planned)		Variance 2023/2022	
		Planned	Actual	in KDA	in %	in KDA	in %
CEMENT	4 860 050	5 336 308	4 307 048	-1 029 260	**81%**	-553 002	**-11%**
CLINKER	1 214 307	555 000	734 032	179 032	**132%**	-480 275	**-40%**
AGGREGATES	21 789	163 857	22 234	-141 623	**14%**	445	**2%**

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The total turnover of (SCIMAT) for the fiscal year 2023 amounted to 5,063,314 KDA representing a slight shortfall compared to the planned budget. This underperformance is primarily attributed to a decline in sales of conventional cement and aggregates. Despite the overall downturn, certain specialized cement products, such as Sac Fardélisé and Sac PP, exhibited outstanding performance, exceeding expectations. Clinker sales also surpassed projections significantly, reflecting either stable market demand or the effectiveness of the company's marketing and sales strategies. Conversely, aggregate sales performed substantially below the planned targets, with only minor exceptions, indicating the need to reassess sales and distribution strategies for this category to ensure the company meets its objectives.

Table 4. Sales Budget and Actual Sales in 2024

Products	Actual 2023	2024		Variance (Actual / Planned)		Variance 2024/2023	
		Planned	Actual	in KDA	in %	in KDA	in %
CEMENT	4 307 048	4 726 456	5 449 756	723 300	**115%**	1 142 708	**27%**
CLINKER	734 032	700 000	190 269	-509 731	**27%**	-543 763	**-74%**
AGGREGATES	22 234	164 809	27 327	-137 481	**17%**	5 093	**23%**

The overall performance of (SCIMAT) exceeded expectations, primarily driven by strong sales of certain specialized cement products, although it was notably impacted by lower clinker and aggregate sales. Regarding cement specialized products experienced significant growth while conventional products require reassessment and improvement. Clinker performance was considerably below the planned targets, highlighting the need for a thorough analysis of underlying causes and the implementation of corrective measures. Aggregate sales generally fell short of expectations, with slight improvements in specific categories indicating the necessity to adjust marketing and distribution strategies for this segment to achieve planned objectives.

Discussion :

The findings confirm that sales budget deviations in SCIMAT are not random but systematic, driven mainly by forecasting limitations and market dynamics.

Consistent with budgeting theory, reliance on historical data without advanced forecasting techniques reduces predictive accuracy. Furthermore, the dominance of top-down budgeting limits operational feedback, increasing the gap between planning and execution.

These results align with management accounting literature which emphasizes the importance of participatory budgeting and quantitative forecasting models in improving budget reliability.

Conclusion :

This study examined the role of the sales budget as a management control tool and assessed its ability to reflect the actual performance of an economic enterprise through a case study of SCIMAT during the period 2021–2024. The findings confirm that the sales budget occupies a central position within the budgeting process, as it serves as the basis for the preparation of

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other functional budgets and supports planning, coordination, control, and decision-making activities.

The variance analysis revealed significant differences between budgeted and actual sales across the study period. Cement sales, which represent the company's primary source of revenue, recorded unfavorable variances during 2021–2023, indicating that actual performance remained below planned targets. However, a favorable variance was achieved in 2024, reflecting a substantial improvement in sales performance. Clinker sales demonstrated considerable volatility, with exceptional favorable variances in 2022 and 2023 followed by a substantial unfavorable variance in 2024. Aggregate sales consistently failed to meet planned targets throughout the study period, despite recording slight improvements in certain years.

The results indicate that sales variances were influenced by both internal and external factors. Internal factors included the adoption of discounts and rebates, the effectiveness of sales units, and the use of a top-down budgeting approach that limits participation from lower management levels. External factors included market competition, fluctuations in demand, and changing economic conditions affecting sales volumes.

The study also showed that the budgeting process relied primarily on managerial judgment and historical data rather than advanced scientific forecasting techniques. This may explain part of the gap observed between estimated and actual sales results. Consequently, the accuracy of sales forecasts remains a critical determinant of budget effectiveness and organizational performance evaluation.

Based on these findings, the study recommends strengthening the use of quantitative forecasting methods, improving coordination between departments during budget preparation, increasing the participation of operational managers in the budgeting process, and conducting periodic variance analyses to identify deviations promptly and implement corrective actions. Such measures would enhance the reliability of sales budgets, improve decision-making quality, and contribute to achieving the enterprise's strategic objectives.